

**From:** Wallace Karraker  
**To:** Microsoft ATR  
**Date:** 11/21/01 3:40am  
**Subject:** Microsoft offers \$1B to schools - How is this a punishment?

I must comment on an AP Newswire story this evening (Excite.com) that "More than 12,500 of the poorest schools in the nation would receive \$1 billion in computers, software, training and cash in an unusual deal offered to settle most of Microsoft Corp.'s private antitrust lawsuits."

How does this punish Microsoft? Can you please explain to me how the current software and hardware vendors of these schools will be compensated for the loss of income from this arrangement? Won't this effect the local businesses that depend on school districts for their income, as well? This effectively eliminates competition for those school districts and allows Microsoft to become the only provider of services. Doesn't this constitute a "MONOPOLY"? The article mentioned that the company currently has a \$32B cash reserve, so implementing a \$1B levy over five years would hardly be a punishment.

Please reconsider this arrangement. This is not a punishment for Microsoft, nor is it a bargain for the school districts it supposedly assists. The initial investment of hardware or software is typically a small part of overall operational cost. Providing the schools with a solution crafted from Microsoft will lock these school districts into software that is well known for its expense of maintenance and overall difficulty of usage. If the schools are as poor as indicated, anyone trained as an MCSE or above will use it as a ticket out of that system, leaving behind a complex, expensive system that will require expensive support after Microsoft has paid "their dues to society".

This is a red carpet treatment for Microsoft to displace Apple computers small lead in the education community. Apple maintains a narrow margin in the education market through innovation, understanding what their customers want, solid and reliable computers, considerable value for the money invested and remarkable ease of use. By reducing income over five years made on server, hardware and software sales by this free "gift" from Microsoft, any company would likely be in pretty serious trouble at the end. Will Apple survive a shelling like this, possibly, but will the DOJ be able to reverse a decision of this magnitude, within a timely manner, if the company is wiped out?

The current antitrust litigation on the Microsoft lawsuit has been proceeding since 1998. In that time the company has released Microsoft Windows 98SE, Windows Millenium, Windows 2000 and now Windows XP, each progressive operating system has incorporated the best of third party software from the version before. No other company can compete with Microsoft on a feature by feature basis within their own operating system. Microsoft controls all aspects off the computer market, and have

been aggressively pushing their technology into other markets that will provide even more income and inherent power over all of our lives.

My suggestion is to have Microsoft provide monetary donations only. With the added cash infusion, poor schools can provide what they need to make their system work based upon what they need, not what is offered. If they decide to purchase Microsoft products, let them purchase it with Microsoft money, but at no different pricing than any other school system would be asked to pay. If a school has another operating system (Apple, Unix, or Linux), the administrators would not feel compelled to dump their existing systems in favor of a Microsoft only solution.

Sincerely,  
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